

ANNUAL REPORT TO CONGRESS

THE HELIUM STEWARDSHIP ACT OF 2013

PUBLIC LAW NO. 113-40,

AS AUTHORIZED UNDER 50 U.S.C. § 167

FISCAL YEAR 2017

BY

THE SECRETARY OF THE INTERIOR

JANUARY 2018

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1. Executive Summary

The Federal Helium Program is managed by the Department of the Interior's (DOI) Bureau of Land Management (BLM), New Mexico State Office. The BLM's Amarillo Field Office (AmFO) conducts day-to-day operations of the program.

This report provides information required by the Helium Stewardship Act of 2013 (HSA), Pub. L. No. 113-40. The HSA extensively amended the Helium Act, 50 U.S.C. §§ 167 *et seq.*, as amended. Specifically, this report addresses the requirement of section 5(e)(4) of the HSA, which requires an annual financial report to be submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives. Accordingly, this report includes discussion of the BLM's progress during Fiscal Year (FY) 2017 toward implementing a process for compliance with the reporting requirements of the HSA; conducting an auction and sale of helium; and implementing section 5(d)(1) of the HSA regarding the disposal of the Federal Helium System by September 30, 2021. This report also contains a progress report on the establishment of a Federal Acquisition Regulations (FAR)-based contract for the operation and management of the Crude Helium Enrichment Unit (CHEU) at the Cliffside Gas Field.

The BLM offered helium volumes in three distinct sales in FY 2017 for delivery in FY 2018.

First, the FY 2018 delivery Phase B auction of 500 MMcf in 30 lots, conducted in July 2017, raised \$59,655,000. The helium that was auctioned represented 55 percent of the total volume that the BLM will make available from the Reserve in FY 2018. This met the 55 percent requirement mandated in the HSA. As a result of the auction, the price of helium sold during the allocated and non-allocated sales was set at \$119 per Mcf.

Second, the FY 2018 delivery Phase B allocated sale of 360 MMcf, and, third, the FY 2017 delivery Phase B non-allocated sale of 40 MMcf, plus any additional helium that was not sold during the allocated sale, were conducted in August 2017. The two sales raised a total of \$47,600,238.

In addition to these three sales in FY 2017, 159 MMcf of helium was made available for In-Kind Sales (for federal users).

The total volume of helium sold was 900 MMcf, and the total revenue generated from helium sales in FY 2017, excluding In-Kind Sales, was \$107,255,238.

The total assets of the Federal Helium Program, as of September 30, 2017, are valued at \$343,552,823.76. Total liabilities were \$5,890,785.70 (accounts payable and customer advances), leaving a positive net worth of \$337,662,038.06.

After funding operations, the BLM returned \$115 million to the U.S. Treasury in 2017. This includes revenue from auction and sale of helium from the Federal Helium Reserve, oil and gas residue sales from the crude helium enrichment process, storage and transportation fees, and

royalty and fees sales from helium produced on Federal lands.

2. Nature and Scope of the Report

This report provides a general status of the BLM's implementation of the HSA's requirements and details progress made during FY 2017.

Specifically, this report addresses the financial reporting requirements of Section 5(e)(4) of the HSA, which provides:

REPORT.—Not later than 1 year after the date of enactment of the Helium Stewardship Act of 2013 [enacted October 2, 2013] and annually thereafter, the Secretary of the Interior shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report describing all expenditures by the Bureau of Land Management to carry out this Act.

50 U.S.C. § 167d(e)(4).

Consistent with that direction, this report contains operating, statistical, and financial information about the program for FY 2017, ending September 30, 2017.

3. Implementation of the Helium Stewardship Act

Progress on Implementing the HSA

The important implementation requirements imposed by the HSA and the BLM's associated activities, included the following:

a) Price Setting

The HSA requires the BLM to establish annually, as applicable, separate sale and minimum auction prices for Phase B sales using, if applicable and in the following order of priority: (1) the sale price of crude helium in the BLM's auctions; (2) price recommendations and disaggregated data from a qualified, independent third party who has no conflict of interest and who conducted a confidential survey of qualifying domestic helium transactions; (3) the volume-weighted average price of all crude helium and pure helium purchased, sold, or processed by persons in all qualifying domestic helium transactions; and (4) the volume-weighted average cost of converting gaseous crude helium into pure helium (50 U.S.C. § 167d(b)(7)).

FY 2017 Progress: In the Federal Register Notice (FRN) announcing the helium auction and sales during FY 2017, for delivery in FY 2018, the BLM confirmed its application of this priority order for setting the price of helium sold.

b) Disclosure

The HSA directs the BLM to require all persons that have storage contracts with the BLM for privately owned helium in the reserve to disclose, on a strictly confidential basis, (1) the volumes and associated prices of all crude and pure helium purchased, sold, or processed by persons in qualifying domestic helium transactions; (2) the volumes and associated costs of converting crude helium into pure helium; and (3) refinery capacity and future capacity estimates (50 U.S.C. § 167d(b)(8)(A)). Additionally, the HSA directs that, as a condition of sale or auction to a refiner by the BLM, the “refiners shall make excess refining capacity of helium available at commercially reasonable rates” (50 U.S.C. § 167d(b)(8)(B)).

FY 2017 Progress: As the BLM reported in its report for FY 2016, the BLM’s AmFO staff worked with key personnel from the BLM New Mexico State Office, the BLM’s Washington Office, and Regional/D.C. Department of the Interior Solicitor’s Offices, to revise the existing storage contract that delineates responsibilities for acceptance, storage, and delivery of crude helium between the BLM and private owners of crude helium within the Federal Helium System. The contract aligns with the HSA provisions and includes reporting criteria, and reporting mechanisms that meet the HSA disclosure requirement. All of the companies signed identical contracts that were effective October 1, 2015, for a term of three years, with annual renewal options to September 30, 2021. During FY 2018, the BLM will implement processes for annual renewal of the contracts.

c) Auction and sales of helium

The HSA establishes a minimum quantity of crude helium that the BLM is required to offer for sale or auction each FY. Specifically, the amount of crude helium offered must be the lesser of (1) the quantity of crude helium offered for sale by the Secretary of the Interior (Secretary) during FY 2012, or (2) the maximum total production capacity of the Federal Helium System, which includes the pipeline (50 U.S.C. § 167d(f)).

FY 2017 Progress: As in previous fiscal years, the BLM once again offered for sale and auction the quantity of crude helium equal to the maximum total production capacity of the Federal Helium System. The BLM contracted with an independent third party to conduct a market survey to set the reserve price at auction and assist in pricing for the sale in FY 2017 for delivery in FY 2018. This survey collected helium price and volume data for “qualifying domestic helium transactions” to document the price of helium for the purchase and/or sale of crude or pure helium as defined by the HSA. As a result, the auction’s minimum price per Mcf was established at \$100. Based on the results of the auction, the sale price in the allocated and non-allocated sales was set at \$119 per Mcf.

The FY 2018 delivery Phase B auction of 500 MMcf in 30 lots, conducted in July 2017, raised \$59,655,000 (see Table 1). The helium that was auctioned represented over 55 percent of the total volume that the BLM will make available from the Federal Helium Reserve in FY 2018. This met the 55 percent auction requirement mandated in the HSA. As a result of the auction,

the price of helium sold during the allocated and non-allocated sales was set at \$119 per Mcf.

The FY 2018 delivery Phase B allocated sale of 360 MMcf, and the FY 2017 delivery Phase B non-allocated sale of 40 MMcf, plus any additional helium that was not sold during the allocated sale, was conducted in August 2017. The two sales raised total of \$47,600,238.

In addition, 159 MMcf of helium was made available for In-Kind Sales (for federal users).

The total volume of helium sold was 900 MMcf, and the total revenue generated from helium sales in FY 2017, excluding In-Kind Sales, was \$107,255,238.

d) Excess refining capacity and tolling

The HSA establishes a condition for Phase B sales and auctions to refiners: the refiner must make excess refining capacity of helium available at commercially reasonable rates to persons who acquire helium from the BLM after the HSA's enactment (50 U.S.C. § 167d(b)(8)(B)). According to the HSA's legislative history, this condition was intended to maximize participation in helium sales. The HSA does not define "excess refining capacity" or "commercially reasonable rates," so the BLM developed reporting tools during the first year to help inform and encourage participation by refiners and non-refiners.

FY 2017 Progress: As indicated in the "Disclosure" item above, the BLM developed a storage contract that includes reporting mechanisms that will allow the BLM to monitor excess refining capacity and transactions between refiners and non-refiners. The Office of Management and Budget approved these forms in November 2015 under the provisions of the Privacy Act, after the requisite FRNs during FY 2015. The uniform helium storage contract and the final reporting forms can be found at the special HSA implementation webpage at [HSA Implementation Documents \(https://www.blm.gov/programs/energy-and-minerals/helium/stewardship\)](https://www.blm.gov/programs/energy-and-minerals/helium/stewardship). All of the entities with a helium storage contract complied with the reporting requirements during FY 2017.

(1) Stewardship and Transparency

During FY 2017, the BLM continued implementation of the HSA. The BLM has a special webpage that includes all documents related to the implementation of the HSA, including the FRNs, reporting forms, and uniform helium storage contract. The page is located at [HSA Implementation Documents](https://www.blm.gov/programs/energy-and-minerals/helium/stewardship).

(2) Progress on Plant Closure

Section 5(d)(1) of the HSA requires the sale of assets and disposal of the Federal Helium System by September 30, 2021. Specifically, the Section states,

Not earlier than 2 years after the date of commencement of Phase C described in subsection (c) and not later than September 30, 2021, the Secretary shall designate as excess property and dispose of all facilities, equipment, and other real and personal property, and all interests in the same, held by the United States in the Federal Helium System.

50 U.S.C. § 167d(d)(1). Further, section 5(d)(1) states, “The disposal of the property described in paragraph (1) shall be in accordance with subtitle I of title 40, United States Code [40 U.S.C. §§ 101 *et seq.*],” which provides that such disposal must be supervised and directed by the Administrator of the General Services Administration (GSA).

During FY 2016 and FY 2017, the BLM entered into discussions with the GSA regarding the disposal of the Federal Helium System. The Federal Helium System is comprised of the following:

- Federal Helium Reserve;
- Cliffside Gas Field and associated wells, pumps, etc.;
- Federal helium pipeline; and
- All other infrastructure owned, leased or managed under contract by the Secretary.

The process began with the development and approval of a Memorandum of Agreement (MOA) between the DOI and the GSA for realty services associated with the disposal of the system.

Following the signing of the MOA, the BLM and the GSA identified the following issues regarding disposal of the system and the relationship between the BLM and the Cliffside Refiners Limited Partnership (CRLP):

- a. As a result of the Helium Privatization Act of 1996, the CRLP constructed the CHEU, a helium extraction facility at the Cliffside Gas Field. In 2003, CRLP entered into a cooperative agreement with the BLM to allow the BLM to begin operating the CHEU. The BLM has operated the facilities since 2003, with CRLP performing the major maintenance of the helium components. As will be discussed in Section 5 of this report, it became necessary to replace the cooperative agreement between the BLM and the CRLP with a contract that is based on the FAR.
- b. Helium is extracted from natural gas, refined and moved through a supply chain to the end users. Components needed for the extraction and delivery of helium, such as compressors, chillers, and various air and moisture filter systems, are owned by the CRLP.
- c. The BLM constructed and owns a new, but yet to be integrated field compressor intended to facilitate continued natural gas and helium withdrawal as the Cliffside Field pressure continues to decline.
- d. The new field compressor cannot be used until the CRLP provides the connection and control integration to their equipment.
- e. There are ten additional companies located on the Federal Helium Pipeline that tap into the pipeline and extract the crude helium for additional processing and sale.
- f. There are inherently government roles that may not be transferable to a third party, such as condemnation of rights of way and exemptions by the Federal Energy Regulatory Commission.

- g. Government obligations to deliver helium that has been sold.

Other issues regarding the disposal are as follows:

- Fair market price determination for crude helium;
- Sales negotiation of CRLP equipment (not belonging to the government);
- How to maximize revenue for the taxpayers; and
- Buyer's assumption of the obligation to deliver helium already sold by the government.

The BLM intends to work closely with our GSA partners to address the above four disposal issues. Determining a fair market price for a unique item, such as the Helium System, will require extensive cost comparison. While most of the real property offered for sale is government owned, the production equipment (CHEU) is leased from private industry. The requirement to maximize revenue will be complicated by the need for the buyer to assume the obligation to deliver stored helium that the government has already sold.

Finally, a major concern regarding the disposal is the need to sell the Federal Helium System as a fully functioning system. The BLM estimates that in September 2021, the BLM's deadline for disposal, the Federal Helium System will contain privately owned helium that the BLM has not yet delivered, and the System will need to maintain functionality in order to deliver the remaining privately owned helium. GSA has asked the BLM whether the need to maintain helium production after the BLM's disposal in 2021 will impact the disposal process and limit the opportunity for entities to be considered as bidders. Once the helium operations are privatized in 2021, it is presumed that this new method of making helium marketable will continue to meet the market demand by both Federal and commercial users of helium.

The BLM is facing many issues raised by the process of implementing the HSA mandates and continuing to operate the Federal Helium Program, as it plans for disposal of those assets. Clearly, many remaining issues will require deliberation and a path-forward strategy to comply with the intent and the stipulations of the HSA. The closure of the Federal Helium Program is mandated by the HSA; this is not a matter that is subject to modification without congressional action. As such, the BLM will follow the lead of the GSA in managing the orderly disposal of all Federal Helium System assets.

4. Legal Relationship between the BLM and the CRLP (FAR-Based Contract)

An outcome of the Helium Privatization Act of 1996 was the creation of the CRLP, comprised of key international gas producers with investments in helium facilities on the federal helium pipeline. These companies include Air Products, Praxair, Linde, and Kinder-Morgan. Praxair and Linde are currently in merger negotiations. The CRLP began working with the BLM in 2000 to complete the construction of the CHEU under a 15-year agreement, which ended effective April 1, 2018. As discussed below, the BLM executed a FAR-based contract with

CRLP that will cover operation of the CHEU going forward.

The BLM's transition to a FAR-based contract was prompted in part by a 2008 report issued by the Office of the Inspector General (OIG), "Report No. WR-IV-BLM-003-2008/OI-CO-07-0206-I, Helium Program Review." In this report, the OIG identified problems and concerns with the BLM using a cooperative agreement versus a contract issued under the FAR to recover and dispose of helium on Federal lands. The OIG found that this contractual relationship should have been established under the FAR. As a result of this OIG report, the BLM decided to replace the cooperative agreement with the CRLP with a FAR-based contract to commence at the end of the initial 15-year term of the agreement in 2018.

In 2016, the BLM initiated the transition to a FAR contract, working with the procurement professionals in the BLM's National Operations Center (NOC). The BLM notified the CRLP that the cooperative agreement would not be extended beyond its initial 15-year term, which ended April 1, 2018. Going forward, the CHEU will be governed by a FAR-based contract that the BLM the executed and will implement consistent with applicable regulations.

The CRLP is dissatisfied with the BLM's decision to terminate the cooperative agreement at the end of its initial 15-year term in 2018. Walter Nelson of Air Products, one of the CRLP partners, testified at the House Subcommittee on Energy and Mineral Resources at the Oversight Hearing on the "Helium Extraction Act of 2017" on June 21, 2017. Mr. Nelson stated: "The original helium plant agreement gave the BLM three options following the termination date: the BLM could have negotiated revised fees, purchased the plant at 'fair market value' or required the CRLP to remove the plant at CRLP's expense. The BLM chose not to exercise any of its contractual options, but rather to proceed with tendering for a new contract following the Federal Acquisition Regulations process."

Rather than exercising one of the three options contained in the agreement between the BLM and the CRLP, the BLM instead allowed the agreement to expire by its natural term and replaced that agreement with a FAR contract, as recommended by the OIG.

The AmFO, working with the BLM's NOC, will execute a contract with the CRLP based on the FAR to complete the Federal Government's operation of the helium reserve until conclusion mandated by the HSA in September 30, 2021. Additional contracting assistance has been used through the NOC service level agreement to negotiate the new FAR based contract with the CRLP partnership. The initial term of the contract began April 1, 2018.

5. Impact of World Helium Markets on the Federal Helium Program

After the U.S., the second largest sovereign supplier of helium is Qatar, which shut down two helium plants in June 2017 because of an economic blockade imposed by Saudi Arabia and its regional allies. While new supply chains in Qatar are beginning to form and the shutdown plants are back in production, the helium industry supply chains have been disrupted.

The impact to the operations of the helium system is that less global helium is available and longer delivery times are currently experienced as private industry adjusts to the disruption. The

BLM's planned plant improvements at the CHEU (Compressor piston modifications and Tie-In of the Central Compressor) will increase production and reduce allocations in the future.

6. Congressional Interest

On June 21, 2017, the House Natural Resources Subcommittee on Natural Resources and the Senate Committee on Energy and Mineral Resources held an oversight hearing on the Discussion Draft for the "Helium Extraction Act of 2017." The discussion draft would amend the Mineral Leasing Act of 1920 (MLA) to define helium as a natural gas for purposes of lease extension. This would have the practical effect of allowing helium production when there are no economic quantities of oil and gas being produced from the leases (which would trigger expiration of the oil and gas leases under the current MLA). The bills, S. 1572 and HR. 3279, were introduced on July 18, 2017.

Timothy Spisak, the BLM's Acting Assistant Director for Energy, Minerals, and Realty Management, spoke before the Subcommittee, and stated that the BLM supported the draft bills. By providing additional avenues for bringing Federal land into helium production, the draft Helium Extraction Act supports the prudent development of this resource. This is essential to ensuring the working landscapes and opportunities for development, one of the Administration's priorities.

In his testimony, Mr. Spisak provided a background of the Federal Helium Reserve; a history of the Federal Helium Program; an overview of the BLM's Helium Operation; an overview of the HSA (including helium sales and auctions); and a description of helium production on Federal lands. Mr. Spisak also discussed the provisions within the HSA to dispose of all property, equipment, and interest in the Federal Helium Reserve by September 30, 2021, and the impact of the closure on the Federal Helium Program (particularly the impact on the In-Kind Program, in which federal users purchase helium for Federal program uses.)

On June 29, 2017, the AmFO was asked to review the proposed language of Senate Bill 1460, the Energy and Natural Resources Act of 2017, particularly Subtitle C, Section 3201, Rights to Helium. The Subtitle would provide for expedited review under NEPA of any helium-related projects; repeal the "Reservation of Helium Rights" provisions of the MLA; and establish "Rights to Helium under Leases under Mineral Leasing Act for Acquired Lands." The latter provision stated, "Any lease issued under this Act that authorizes exploration for, or development or production of, gas shall be considered to grant to the lessee a right of first refusal to engage in exploration for, and development and production of, helium on land that is subject to the lease in accordance with regulations issued by the Secretary." After reviewing the proposed language, the AmFO had no comments or suggestions.

TABLE 1. – Helium Auction Tally

4th Annual BLM Crude Helium Auction
July 19, 2017

Lot Number	Lot Number	Volume (MMcf)	High Bid	Bidder	Amount
Lot Number 1	1	25	\$112	Linde - 274	\$2,800,000
Lot Number 2	2	25	\$112	Air Products - 271	\$2,800,000
Lot Number 3	3	25	\$113	Air Products - 271	\$2,825,000
Lot Number 4	4	25	\$114	Air Products - 271	\$2,850,000
Lot Number 5	5	25	\$116	Air Products - 271	\$2,900,000
Lot Number 6	6	25	\$118	Air Products - 271	\$2,950,000
Lot Number 7	7	25	\$113	Air Products - 271	\$2,825,000
Lot Number 8	8	25	\$119	Air Products - 271	\$2,975,000
Lot Number 9	9	25	\$121	Air Products - 271	\$3,025,000
Lot Number 10	10	25	\$121	Air Products - 271	\$3,025,000
Lot Number 11	11	25	\$122	Air Products - 271	\$3,050,000
Lot Number 12	12	25	\$119	Air Products - 271	\$2,975,000
Lot Number 13	13	25	\$124	Air Products - 271	\$3,100,000
Lot Number 14	14	15	\$121	Weil - 279	\$1,815,000
Lot Number 15	15	15	\$122	Air Products - 271	\$1,830,000
Lot Number 16	16	15	\$122	Air Products - 271	\$1,830,000
Lot Number 17	17	15	\$122	Air Products - 271	\$1,830,000
Lot Number 18	18	15	\$124	Air Products - 271	\$1,860,000
Lot Number 19	19	15	\$124	Uniper - 278	\$1,860,000
Lot Number 20	20	15	\$122	Uniper - 278	\$1,830,000
Lot Number 21	21	15	\$123	Praxair - 277	\$1,845,000
Lot Number 22	22	15	\$125	Matheson - 276	\$1,875,000
Lot Number 23	23	5	\$123	Praxair - 277	\$615,000
Lot Number 24	24	5	\$123	Matheson - 276	\$615,000
Lot Number 25	25	5	\$122	Praxair - 277	\$610,000
Lot Number 26	26	5	\$125	Air Products - 271	\$625,000
Lot Number 27	27	5	\$125	Air Products - 271	\$625,000
Lot Number 28	28	5	\$125	Air Products - 271	\$625,000
Lot Number 29	29	5	\$125	Air Products - 271	\$625,000
Lot Number 30	30	5	\$128	Air Products - 271	\$640,000
		500	\$119	TOTAL	\$59,655,000

7. Financial Status of the Helium Program

As of September 30, 2017, the Government has \$343,552,823.76 in Helium Program assets (see Table 6). As of the same date, current liabilities are \$5,890,785.70 (accounts payable and advances), leaving a net worth of \$337,662,038.06. As of September 30, 2017, the BLM holds storage contracts with 14 companies: five refiners, seven non-refiners, and two companies that do not store helium in the reserve but are connected to the pipeline in order to transport helium from private natural gas fields to the four refiners connected to the pipeline.

8. Financial and Operational Reports

Table 2 shows the total volume of helium produced from Federal lands in million cubic feet (MMcf) over the last 6 FYs.

TABLE 2. – Helium Produced from Federal Lands

<u>FY</u>	<u>Volume (Est.) Mcf</u>	<u>Thousands \$/year</u>
2012	1,371	10,422
2013	1,435	10,405
2014	1,370	11,705
2015	1,432	14,945
2016	1,319	17,221
2017	1,374	18,547

Table 3 shows the breakdown of the total BLM helium sales between the Crude Helium Sales and In-Kind Sales in MMcf over the last 6 FYs. Crude Helium Sales have been fully subscribed since 2010. Prior to the passage of the HSA, helium sales were offered on a straight-line basis. The HSA requires sales and actions to be based on estimated production levels; therefore, there was an increase in sales due to more production capabilities in FY 2017.

TABLE 3. - Volume of Bureau of Land Management Helium Sales
(Million cubic feet)

<u>FY</u>	<u>Crude Helium Sales</u>	<u>In-Kind Sales*</u>	<u>Total</u>
2012	2,100	132	2,232
2013	2,100	127	2,227
2014	1,787	119	1,906
2015	900	164	1,064
2016	1,000	136	1,136
2017	900	140	1,040

Table 4 shows the Helium Program cash flow during FY 2017. The large dollar values primarily represent helium sold from Crude Helium and In-Kind Sales during the year.

TABLE 4. - Helium Program Cash Flow, FY 2017*

Cash on hand September 30, 2016	266,816,251.03
Cash received during 2017	152,911,568.81
Cash available in 2017	409,900,048.95
Cash disbursements in 2017	133,041,950.45
Cash on hand September 30, 2017	286,685,869.39

*Cash receipts and disbursements may contain entries from prior FYs. Totals could vary from revenues earned or obligations paid during the FY.

Table 5 shows the total revenues received and expenses paid in FY 2017 on an accrued expense and income basis.

TABLE 5. – Helium Fund Statement, FY 2017		
Cumulative Results of Operations FY 2017		
Revenue		
Revenue from Goods Sold		230,046,544.08
Crude Helium and In-Kind Sales	202,845,115.00	
Natural Gas Sales	9,375,469.03	
Natural Gas Liquid Sales	663,389.26	
Federal Lease Land Royalties and Evaluation Sales	17,162,570.79	
Revenue from Services		9,356,599.77
Storage	9,356,599.77	
Compression	0.00	
Interest Revenue		13,435.19
Penalties and Fines Revenue		0.00
Administrative Fees Revenue		62.60
Financing Sources Transferred In w/out Reimbursement		0.00
Transfers Out–Capital Transfers (Non-Expend)		-115,000,000.00
Other Revenue		72,499.82
Losses on Disposition of Assets - other		0.02
Total Revenue		124,489,141.48
Expenses		
Operating Expenses / Program Costs		13,620,035.80
Other Interest Expense		0.00
Benefit Expense		1,393,703.90
Cost of Goods Sold		22,742,061.00
Cost Capitalization Offset		-110,626.22
Depreciation, Amortization, and Depletion		339,173.24
Bad Debt Expense		-314.65
Other Expenses not Requiring Budgetary Resources		0.00
Total Expenses		<u>37,984,033.07</u>
Net of Revenues and Expenses		<u>86,505,108.41</u>

Table 6 summarizes the assets, liabilities, and net worth of the Helium Fund as of September 30, 2017.

TABLE 6 – Helium Program Financial Condition: September 30, 2017

CURRENT ASSETS:	
Cash	286,685,869.39
Accounts receivable	3,405,720.25
Advances	0
Inventory and work in process	<u>6,530,807.60</u>
<i>Total current assets</i>	<u>296,622,397.24</u>
FIXED ASSETS:	
Helium in underground storage	36,174,000.00
Plants, property, and equipment (net)	10,756,426.52
Other Assets	<u>.00</u>
<i>Total fixed assets</i>	<u>46,930,426.52</u>
TOTAL Assets	<u>343,552,823.76</u>
LIABILITIES:	
Accounts payable	401,857.03
Advances	
Unfunded liability	5,488,928.67
Long-term debt to U.S. Treasury	<u>.00</u>
<i>Total liabilities</i>	<u>5,890,785.70</u>
NET WORTH:	
Donations and transfers*	0
Retained earnings**	251,156,929.69
FY 2015	
Cumulative results of Operations	<u>86,505,108.37</u>
FY 2017	
<i>Total net worth</i>	<u>337,662,038.06</u>
TOTAL Liabilities & Net Worth	<u>343,552,823.76</u>

* Donations and transfers represent an accumulation of donated and transferred capital items primarily from other Government agencies. These include property and equipment transfers since the beginning of the Helium Program.

** Retained earnings are an accumulation of net revenue and expenses over the life of the Federal Helium Program. This deficit (retained earnings) is a result of several years of cumulative operating losses attributed entirely to the accrual of long-term interest payable to Treasury.